

A hand holding a rolled-up diploma tied with a red ribbon against a blue sky.

PRIVATE OR PUBLIC EDUCATION

IS THERE FAIR COMPETITION?

ACCREDITATION OF PRIVATE UNIVERSITIES IN MACEDONIA

Skopje, September 2006

Center for Research and Policy Making

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# Introduction

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The main issue during the Macedonian 2006 election campaign was the state of the economy. This was not a surprise given that the growth of the Macedonian economy has been low since democratization, foreign direct investments incidental, and the standards of living falling. Good education, qualified human resources are the key for progress in the modern world, area where Macedonia seriously lags behind. The fact is that the majority of the Macedonian citizens have primary school education or less. It is difficult to attract higher value added investments with unqualified cheap labor. The goal of this analysis is to discuss particular issues affecting the low quality of the Macedonian education system. We are interested to find out if there is a fair competition between private and public universities, how new universities are accredited, what are the problems in the procedure and how to rectify them. The focus of this analysis is therefore on the work of the Accreditation Board.

Table 1: Education structure of the labor force of Macedonia

Education Level	Percentage	Students
Higher Education	10%	154383
MA's or MBA's	0.2 %	2783
PHD	0.1%	2069
Secondary school	37%	588554
Elementary school degree, dropouts from elementary school or with no degree	53%	845947
Total population over 15	100%	1,596267

The numbers<sup>1</sup> showed above referring to the level of education of the labor in Macedonia are devastating. More than half of the labor force in Macedonia has elementary school degree or less. The number of those that have M.A or M.B.A diploma is 0.2 percent (2,783). Just 0.1 percent (2,069) of the population has a PhD. Moreover, Macedonian students do not finish

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<sup>1</sup> Census Data 2002, Book 5 (Kniga 5), State Statistical Office, Skopje, 2004, p.65.

their studies in time. According to latest statistics<sup>2</sup> over 80 % of the Macedonian students graduate after their due time.

The government has not invested much in higher education. On average, 3.5 percent of the national gross domestic product is allocated for education (at all levels), with only 0.47 percent for the higher education. This proportion represents a decrease from the 1.4 percent of just ten years ago, indicating that Macedonian state universities are heavily underfinanced. Allocated expenditures for education represent 13 percent of the national budget. The largest share of these funds (55-60 percent), goes to elementary education and the smallest (13-15 percent) goes to higher education. Most of the money allocated for the state universities goes for salaries and material expenses (utility bills, electricity, heating, telephone, supplies, etc.); 0.03 percent of the gross domestic product is dedicated to research, far from the 3 percent recommended by the European Commission.<sup>3</sup>

As elsewhere in the region in Macedonia too there are private universities springing about. The youth dissatisfied with the conditions at the state funded universities and/or unable to pass the entrance exams there is ready to pay sometimes hefty tuition fees to enroll in the private higher education institutions. The trend in Eastern Europe is such that students are increasingly being attracted to private universities. In Romania, nearly a third of the students in higher education have gone private while in Poland, where business schools have boomed, more than a quarter of students at the higher level have gone private. In several other Central European countries, the figure is above 10%, and rising.<sup>4</sup>

Today in Macedonia there are 5 universities, 3 of which are state universities<sup>5</sup> and 2 that are privately owned.<sup>6</sup> In addition there are 2

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<sup>2</sup> Statistical Yearbook, 2005, pg 229.

<sup>3</sup> pg.48. The Higher Education System in Macedonia, Georgi Stojanov and Natasha Angeloska-Galevska, *European Education*, vol. 38, no. 1, Spring 2006, pp. 44-59.

<sup>4</sup> More and more students in ex-communist Europe are paying to be educated- Private education in Central Europe; *The Economist*; Jan 3rd 2002 | BUDAPEST

<sup>5</sup> The University of "St. Cyril and Methodius" in Skopje <http://www.ukim.edu.mk/>; the University of "Kliment Ohridski" in Bitola <http://www.uklo.edu.mk/>; and the Tetovo State University <http://www.unite.edu.mk/index.html>

private colleges accredited in the country.<sup>7</sup> A branch office of the University of Pittsburgh's Graduate School of Public and International Affairs also operates in the country. In absolute numbers, students enrolling at private universities are few. At the beginning of the winter term of 2004/2005 the total number of the enrolled students in the Macedonian universities was 49,364<sup>8</sup> out of which just 2,812 going private.<sup>8</sup> Such low is the number that it was only in 2004 that the statistical office began collecting data on the number of students enrolled at private schools.

Yet, there are some students that are not registered in the statistics. These are students that at the time the data was collected went to universities not officially recognized by the state. Now most of the private higher institutions are officially recognized by the state. Yet there are no official numbers of the students of such institutions. Therefore the Center for Research and Policy Making (CRPM) has made an estimate of the figures gained through direct contacts with the private higher institutions. CRPM estimates the total number of students attending private universities to be around 8,900.

Table 2: Universities in Macedonia

Name of the private high educational institution	Number of students
New York College	Around 100
American College	Around 150
Southeast European University	6200
European University	2350
*Euro College (not accredited)	Around 100

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<sup>6</sup> The Southeast European University <http://www.seeu.edu.mk/macedonian/index.asp> and the European University <http://www.eurm.edu.mk/>

<sup>7</sup> The New York College [www.nyck.edu.mk](http://www.nyck.edu.mk) and the American College in Skopje .  
[http://www.acs.edu.mk/index\\_en.html](http://www.acs.edu.mk/index_en.html)

<sup>8</sup> State Statistical Office; the edition Enrolled students at higher schools and faculties 2003/2004; the edition Enrolled students at higher schools and faculties 2004/2005

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## The Legal Framework for Accreditation of Private High Educational Institutions

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The fifth chapter of the Law of Higher Education from 03.08.2000<sup>9</sup> specifies the procedures for establishing universities. The law requires the founder to prepare a number of documents<sup>10</sup> together with a business plan outlining details about the infrastructure; the curricula; the staff, the equipment; the source of financing etc. Once the Board for Accreditation receives the application a decision should be made within 60 days. The Board consists of 15 members, representatives of the already accredited high educational institutions in Macedonia<sup>11</sup>. In effect the present Accreditation Board consists of representatives from the state universities and the Southeast European University. The European University and the New York College are not represented because they were accredited after the Board had been formed. The mandate of the Board members is 4 years.

The decisions of the Board are based on its assessment whether the potential private high educational institution complies with the standards, stipulated in the Law of Higher Education<sup>12</sup> and in the "Book of Rules"<sup>13</sup> of the Board for Accreditation. Once the Board takes a decision, it is passed on to the Ministry of Education, the Minister usually confirming the decision of

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<sup>9</sup> <http://www.pravo.org.mk/results.asp?ID=1&index=%C2>

<sup>10</sup> The list of all documentation needed for founding private high educational institution can be found in the official gazette, 25.12.2002, n.97-pg.9

<sup>11</sup> Chapter IV; I section; articles 24; 25; 26; 27 of the law of higher education-03.08.2000

<sup>12</sup> Articles 35,36,37 of the law of higher education-03.08.2000

<sup>13</sup> Official Gazette, 14.05.2003, pg.10-n.33

the Board.<sup>14</sup> The accreditation given is however, temporary. After a higher educational institution is accredited, the role of the Agency for Evaluation<sup>15</sup> is to oversee its work every 5 years assessing its work. Based on this assessment the Board is to decide whether the accreditation should be discontinued or extended.

Several applications for accreditation have so far been rejected on various grounds including those of the Euro College and the Faculty (Department) for Modern European Studies.<sup>16</sup> Some of the rejections included a recommendation by the Board to work on “establishing such academic programs that none of the existing high educational institutions currently offers.”<sup>17</sup> Such was the case with the application of the Pedagogical Faculty in Bitola, which applied to establish M.A. studies in Pedagogy, but got recommendation by the Board to establish graduate program in some other academic area, *because* such M.A. studies are already being offered at the Pedagogical Faculty in Skopje.<sup>18</sup>

Emilija Stavridis from the Ministry of Education confirms that when deciding about a request for accreditation, the prospects are bigger for the decision to be positive if the proposed academic program is not already offered by an existing accredited university.<sup>19</sup> Although not a criterion stipulated in the law or in the “Book of Rules”, accreditations are given mainly to universities that apply with academic programs that are not existent in the Macedonian education system until that moment. Such an informal rule affects the competition in the tertiary education sector. A lack of competition means no real choice for students deciding where to continue their education.

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<sup>14</sup> Article 46 of the law of high education-03.08.2000

<sup>15</sup> Article 29,30 of the law of high education-03.08.2000

<sup>16</sup> The grounds are “not fulfilling the standards regarding the required working infrastructure and space, the financial guaranties and the number and qualifications of the staff. CRPM was given to see *The decision of the Board for Accreditation for the accreditation of the Faculty for Modern European Studies* although a copy could not have been obtained for unspecified reasons.

<sup>17</sup> CRPM Interview, Borche Davitkovski, 16.02.2006

<sup>18</sup> CRPM Interview, Borche Davitkovski, 16.02.2006

<sup>19</sup> CRPM Interview, Emilija Stavridis, 21.04.2006.



The problems with obtaining accreditation do not deter institutions to start working without it. The European University and the New York College (NYC) had worked and enrolled students, before they got the accreditation. For instance, NYC finally received accreditation from the Ministry in fall 2006, but they had worked since 2003<sup>20</sup>. In its advertisements the NYC did not mention that it is not officially recognized. Similarly, the present non-accredited high educational institution, the Euro-college, had its application been rejected, but continued advertising their study programs.

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<sup>20</sup> <http://217.16.70.179/INDEX.CFM?NTREE=1521&ID=4961&CONT=37203&SUBFRAME=0> (Decision No. 12-6006/2)

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## The two sides of the “coin”

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Two rather opposite views on the issue of accreditation of private high educational institutions exist. On the one hand, there is the position taken by the Board for Accreditation, and on the other, the opinions of the entrepreneurs wanting to establish private universities. Thus, Ljubomir Petrusevski, the owner of the non-accredited Euro-college, believes that fear of competition is behind the rejection of their application, fear especially felt by the state universities. According to him the members of the Board from the state universities use their power to deny legality to new educational institutions<sup>21</sup>. They are uncertain if departments at state universities can compete freely on the market with the private ones. Ljubomir believes that his and other private schools offer better conditions for students, better administrative service, space, and library and so on.

He is angry also because the period to decide on the accreditation applications is quite long. The main culprit is article 13 of the Book of Rules,<sup>22</sup> which stipulates that the Accreditation Board will review the requests for accreditation to start academic programs for the next academic year if they are submitted by 30 November.” Any request submitted after 30<sup>th</sup> of November will be evaluated the following year.<sup>23</sup> That was the situation that Ljubomir and his Euro-college experienced. He also claims

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<sup>21</sup> CRPM Interview, Ljubomir Petrusevski, 15.02.2006.

<sup>22</sup> Official gazette, 25.12.2002, n.97-page 9.

<sup>23</sup> For a request for accreditation made on 1<sup>st</sup> of December 2006, a decision will be made in 2007 and accreditation could be given for the academic year 2008/2009. A decision for an accreditation request made on 30<sup>th</sup> November 2006 would be made in 2007 and if positive the accreditation would be given to start academic life in the academic year 2007/8. The text in Macedonian is “Одборот за акредитација барањата за акредитација на судиските програми ќе ги разгледува доколку се доставени заклучно со 30 ноември во тековната година, за наредната учебна година.”

that Euro College was not even properly informed about the rejection of its accreditation request. Ljubomir still operates having obtained a license of an Affiliate College of the American City University and the London City College, thus guaranteeing the students an internationally recognized diploma.

The case of the European University is also instructive. At first rejected by the Board for Accreditation it appealed and won the case at the Supreme Court. The procedure had to be repeated and a new Board for Accreditation founded in 2005, issued an accreditation. The members of the board claim that they firmly work according to the legal criteria. They are concerned that there is a danger that too many low quality universities would be opened. Borche Davitkovski member of the Board pointed to Bulgaria and Serbia as extremely negative examples.<sup>24</sup> According to him it is "not possible" that the Board members are biased. Look at the case of the Pedagogical Faculty in Bitola, which did not get an accreditation, he says<sup>25</sup>. Although the idea that state universities are frightened of competition is ridiculous to him, many departments take concrete steps to become competitive on the educational market, his own Department of Law modernizing through the implementation of the European credit transfer system.

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<sup>24</sup> CRPM Interview, Borche Davitkovski, 16.02.2006

<sup>25</sup> CRPM Interview, Borche Davitkovski, 16.02.2006.

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## Accreditation of Universities in Bulgaria and Slovenia

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There is no essential difference in the requirements to be fulfilled in order to get an accreditation set by the Macedonian Board of Accreditation and the Bulgarian Board. In Bulgaria the Board<sup>26</sup> awards accreditations based on an independent and expert assessments whether the candidate institutions satisfies the general requirements. The role of the expert group is to visit the higher education institution and to submit a report to the Board within 14 days. The Board evaluates the report on the strengths and weaknesses of the institution or its academic program, and then proposes an accreditation grade that needs to be supported by the relative majority of the standing Board. The ultimate decision regarding the accreditation has to be made within a time limit of one month<sup>27</sup>. The accreditation grades are „very good“ “good” “satisfactory” or unsatisfactory”<sup>28</sup>. Depending on the grade the Board proposes the time frame for which the accreditation is to be given, the better the grade the bigger the time period proposed.

The Board consists of chairmen and 10 members; six of which are representatives of existing universities, one from the Bulgarian Academy of science, one from the National Center of Agricultural Science, while two are representatives recruited from the Ministry of Education and Science<sup>29</sup>. The

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<sup>26</sup> NEAA (National Evaluation and Accreditation Agency) is the specialized body authorized for approving an accreditation and for the quality control of the activities of the HE institutions.

<sup>27</sup> Article.31(4) Of the Book of Rules of the NEAA.

<sup>28</sup> Article. 36 (1) of the Book of Rules of the NEAA.

<sup>29</sup> Article 7 of the Book of rules of the NAEE.

Board is appointed only for one term of office for a six year mandate<sup>30</sup>, and except for the chairman one half of the Board members are changed every three years. The new Higher Education Act of July 4<sup>th</sup> 2005, allowed the involvement of professors from European countries as well as representatives of student's community in the expert teams.<sup>31</sup> In Slovenia the Board is founded by the government and consists of a President and 15 members of whom 3 are representatives of the government, 7 are representatives of the high educational institutions, 3 representatives of the business sector, and 3 representatives of the students.<sup>32</sup> When deciding upon the requests for accreditation of private universities the Board judges upon standard criteria prescribed by the law. All the application materials, decisions and information about its work are placed on the Board's website.

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<sup>30</sup> Article 8(1) of the Book of rules of the NEAA

<sup>31</sup> [http://www.neaa.government.bg/images/stories/Deinostta\\_na\\_NAOA\\_EN.doc](http://www.neaa.government.bg/images/stories/Deinostta_na_NAOA_EN.doc)

<sup>32</sup> The Board of Accreditation is called a Council of Republic of Slovenia.  
<http://www.mvzt.gov.si/index.php?id=383#316>

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## A path toward market competition in the tertiary education system in Macedonia

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Competition already has an effect on the Macedonian educational market. The private universities have formed Career Offices helping their graduates find job. According to the official representatives of the South East European University thanks to the Career Services Center about half of their graduates (the total number of graduated students last year was around 360) last year have found a job. Euro College also plans to offer this service beginning with June 2007.

Macedonia has no interest to accredit universities operating without basic standards applied. Yet its interests are not served by the informal practice not to allow accreditation for those institutions that would like to introduce study programs that are offered by other universities. This is not a pro-market approach. Neither is the lengthy decision procedure helping the market forces. There is a lack of transparency and public knowledge of the decisions to accredit newly established universities. The public is often confused whether certain higher education institution is accredited or not.

At the moment the Accreditation Board consists of persons from already accredited universities and representatives from the Academy of Sciences and Arts and the Ministry of Education. A problem is that the professors from the existing universities that sit on the Board have little interest to propel new educational institutions that would be a competition to their own ones. In addition the Accreditation Board does not consult the opinions

of student community and the business sector. The market cannot influence what kind of graduates become available nor what kind of academic programs are being offered.

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# Recommendations

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CRPM recommends the following policy measures to be taken:

- Structure of the Accreditation Board

*- The structure of the Accreditation Board should reflect the real proportion, interest and opinion of all affected parties, including the student community and the business sector as in the Slovenian case for example.*

- Issuing of Standardized Document for all Applicants

*-More efficient informing of the applicants about the outcome of their process of accreditation is needed. The information should contain a detailed explanation of the reasons why the candidate was refused an accreditation.*

- Transparency in the work of the Accreditation Board

*-The whole legislation regarding the accreditation, and the decisions of the Board should be easily found on the Internet. Transparency should stop speculations about alleged groundless decisions of the Board, because its decisions would be explained and presented on the web site of the Board. Having in mind that the criteria for founding higher educational institution are measurable parameters, the public could constantly oversee the work of the Board and could easily recognize any failures in its work.*

Since similar problems exist in the whole Balkan region an interesting idea would be to establish a regional rating agency. A rating system of Balkan high educational institutions should have positive impact on the development and the quality in the tertiary education system not just in



Macedonia but also in the countries of the region. A similar project on a global level is the "Webometrics ranking of World Universities." Implemented by the Center for Scientific Information and Documentation, a part of the Spanish National Research Council, it ranks world universities and scientific research centers using the information on their scientific activities announced on the web sites of those institutions.<sup>33</sup> Such kind of a regional ranking agency could contribute to a market competition, each university attempting to improve their educational standings.

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<sup>33</sup> <http://www.webometrics.info/>